

1 PAUL J. PASCUZZI, State Bar No. 148810  
JASON E. RIOS, State Bar No. 190086  
2 THOMAS R. PHINNEY, State Bar No. 159435  
FELDERSTEIN FITZGERALD  
3 WILLOUGHBY PASCUZZI & RIOS LLP  
500 Capitol Mall, Suite 2250  
4 Sacramento, CA 95814  
Telephone: (916) 329-7400  
5 Facsimile: (916) 329-7435  
Email: ppascuzzi@ffwplaw.com  
6 jrios@ffwplaw.com  
7 tphinney@ffwplaw.com

8 ORI KATZ, State Bar No. 209561  
ALAN H. MARTIN, State Bar No. 132301  
9 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP  
A Limited Liability Partnership  
10 Including Professional Corporations  
Four Embarcadero Center, 17<sup>th</sup> Floor  
11 San Francisco, California 94111-4109  
Telephone: (415) 434-9100  
12 Facsimile: (415) 434-3947  
Email: okatz@sheppardmullin.com  
13 amartin@sheppardmullin.com

14 Attorneys for The Roman Catholic Archbishop of  
San Francisco

15 UNITED STATES BANKRUPTCY COURT

16 NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION  
17

18 In re  
19 THE ROMAN CATHOLIC ARCHBISHOP  
OF SAN FRANCISCO,

20 Debtor and  
21 Debtor in Possession.

Case No. 23-30564

Chapter 11

**DEBTOR'S REPLY TO THE OFFICIAL  
COMMITTEE OF UNSECURED  
CREDITORS' RESPONSE TO DEBTOR'S  
EMERGENCY MOTION FOR ORDER (1)  
AUTHORIZING PAYMENT OF  
PREPETITION WAGES, SALARIES AND  
EMPLOYEE EXPENSES; (2) TO PAY  
ACCRUED EMPLOYEE BENEFITS AND  
TAXES; AND (3) DIRECTING BANKS TO  
HONOR PAYROLL AND EXPENSE  
CHECKS [ECF 7]**

26 Date: October 26, 2023  
27 Time: 1:30 p.m.  
Via Zoom  
28 Judge: Hon. Dennis Montali

1 The Roman Catholic Archbishop of San Francisco (“RCASF” or “Debtor”), the debtor and  
2 debtor in possession in the above-captioned chapter 11 case (the “Bankruptcy Case”), hereby files  
3 its reply to the Response of the Official Committee of Unsecured Creditors to Debtor’s Emergency  
4 Motion for Order (1) Authorizing Payment of Prepetition Wages, Salaries and Employee Expenses;  
5 (2) To Pay Accrued Employee Benefits and Taxes; and (3) Directing Banks to Honor Payroll and  
6 Expense Checks (the “Motion”) as follows:

7 1. The Motion seeks authority to pay prepetition wages and expenses up to the priority  
8 amount set forth in the Bankruptcy Code. These amounts are minimal in this case because the  
9 RCASF made efforts to prepay all employees and other vendor obligations to minimize the impact  
10 of the Chapter 11 filing.

11 2. In past diocesan cases, the United States Trustee (“UST”) and others have raised the  
12 question of whether a diocese was seeking such authority with respect to an alleged perpetrator.  
13 Here, the Debtor sought to proactively address this issue in the Motion and proposed order.

14 3. The Interim Order on the Motion (ECF 42) requires the Debtor to file a report of the  
15 amount of any payments of prepetition wages or expense reimbursement and provide to the UST a  
16 list of employees being paid. The Debtor filed the report required by Paragraph 9 of the Interim  
17 Order at ECF 204. The prepetition wages paid totaled \$1,622.25. The expense reimbursement for  
18 prepetition expenses totaled \$1,593.49.

19 4. The Debtor provided the list of employees receiving prepetition wages and expense  
20 reimbursements to the UST and counsel to the Official Committee of Unsecured Creditors  
21 (“Committee”) on a confidential basis to keep employee information non-public. The Debtor also  
22 noted to the UST and the Committee that the clergy on the list of recipients of prepetition wages  
23 and expense reimbursements are on the RCASF good standing list. Thus, the Debtor has ensured  
24 compliance with the Interim Order provisions.

25 5. The Committee’s response notes that it does not object to the Motion. Response at  
26 page 3, line 16. No other objections or responses have been filed. Thus, the Motion should be  
27 granted on a final basis.

28

1           6.       The Committee's response raises an issue unrelated to the Motion, which is the  
2 RCASF's long standing policy of maintaining a public list of clergy in good standing who have  
3 faculties to minister in the Archdiocese of San Francisco. The Motion is not the proper forum to  
4 debate the RCASF policy, which dates well before the Chapter 11 filing. Moreover, while not  
5 mentioned in the Committee's response, there was substantial testimony at the continued 341  
6 meeting regarding the RCASF's extensive Safe Environment Program and the process by which the  
7 RCASF responds to reports of abuse. The Committee's response also fails to note that the  
8 allegations against the two active and two inactive clergy have been investigated and reviewed by  
9 the Independent Review Board ("IRB"), and the allegations were found to not be sustained. The  
10 RCASF maintains that its abuse prevention policy is robust, thorough, and effective.

11           7.       As was explained at the continued 341 meeting, every allegation is treated seriously,  
12 and immediate steps are taken to protect the rights of both the alleged abuse survivor and the alleged  
13 abuser. The RCASF has taken exhaustive steps to satisfy the U.S. Conference of Catholic Bishops  
14 Charter including by immediately keeping out of active ministry any minister accused of sex abuse  
15 of a minor while an investigation or canonical trial is pending. The RCASF would remove  
16 permanently from ministry any priest for which sustainable evidence of abuse has been determined.

17           8.       The RCASF requires criminal background checks for clergy, employees and  
18 volunteers who work with youth. The RCASF implements educational programs for both children  
19 and adults to prevent abuse. The RCASF IRB is an essential step in internal procedures for handling  
20 allegations of sexual abuse. A qualified investigator conducts investigations into allegations and  
21 submits a report to the IRB, whose members include an abuse survivor, psychologist, two  
22 physicians, and a retired police officer, among others. These are experts in their respective fields,  
23 so the RCASF heavily relies on their expertise. The IRB makes recommendations as to whether  
24 there is sufficient evidence to warrant a canonical trial or if, on the other hand, an accusation is  
25 manifestly unfounded. These recommendations are indispensable to the RCASF in helping to  
26 determine the best course of action. The Archbishop has always followed their guidance. More  
27 information about the Survivor's Assistance and Safe Environment Programs is contained in the  
28 Debtor's Emergency Motion for Interim and Final Orders Authorizing the Debtor to (1) Pay Certain

1 Prepetition Invoices for Abuse Survivors' Assistance and Safe Environment Programs, and (2)  
2 Continue its Prepetition Practice of Paying for Abuse Survivors' Assistance and Safe Environment  
3 Programs at ECF 13 and the Declaration of Deacon Fuad "Fred" Totah filed in support of that  
4 motion at ECF 13-1.

5 9. The Court can be assured that the RCASF's policies and procedures addressing  
6 survivors who request assistance and creating and maintaining a safe environment developed and  
7 implemented well before this Chapter 11 case will remain in place and be vigorously pursued during  
8 this case.

9 Dated: October 20, 2023

FELDERSTEIN FITZGERALD WILLOUGHBY  
PASCUZZI & RIOS LLP

10  
11 By: /s/ Paul J. Pascuzzi  
12 PAUL J. PASCUZZI  
13 JASON E. RIOS  
14 THOMAS R. PHINNEY  
Attorneys for The Roman Catholic Archbishop of  
San Francisco

15 Dated: October 20, 2023

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

16 By: /s/ Ori Katz  
17 ORI KATZ  
18 ALAN H. MARTIN  
19 Attorneys for The Roman Catholic Archbishop of  
20 San Francisco  
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